

## Message Text

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17

ACTION EB-07

INFO OCT-01 AF-06 ISO-00 AGR-10 CEA-01 CIAE-00 COME-00

DODE-00 FRB-01 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00

NSC-05 PA-02 AID-05 CIEP-02 SS-15 STR-04 TAR-01

TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 FEA-01 /101 W

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R 210735Z JUL 75

FM AMEMBASSY YAOUNDE

TO SECSTATE WASHDC 6310

INFO AMCONSUL DOUALA

UNCLAS YAOUNDE 2459

E.O. 11652: N/A

TAGS: EFIN, EIND, EINV, CM

SUBJECT: FOREIGN INVESTMENT CLIMATE AND STATISTICS

REF: A) STATE 165596; B) YAOUNDE'S A-23, MARCH 28, 1974

1. TEXT OF INVESTMENT STATEMENT REQDS QS FOLLOWS:

UNITED REPUBLIC OF CAMEROON

THE CAMEROONIAN GOVERNMENT (GURC) PURSUES A POLICY OF ""PLANNED LIBERALISM"", ENCOURAGING PRIVATE FOREIGN INVESTMENT WITHIN THE GUIDELINES OF THE OFFICIAL DEVELOPMENT PLAN. THE THIRD FIVEYEAR DEVELOPMENT PLAN ENVISIONS A PRIVATE SECTOR INVESTMENT OF ABOUT HALF OF THE TOTAL 1.3 BILLION DOLLS. PLANNED FOR THE 1971-76 PERIOD. THIS REPRESENTS THREE TIMES THE AMOUNT REALIZED UNDER THE SECOND PLAN AND CALLS FOR A SIZABLE FOREIGN INVESTOR ROLE FOR SUCCESS. THE GOVERNMENT MAY PARTICIPATE IN THE EQUITY OF A NEW VENTURE PRIMARILY THROUGH THE NATIONAL INVESTMENT COMPANY, BUT IS GENERALLY DISPOSED TO ASSIGN MANAGEMENT CONTROL TO THE PRIVATE PARTNER. BANKING REGULATIONS ISSUED IN 1973 REQUIRE A GURC CAPITAL PARTICIPATION OF AT LEAST ONE-THIRD AND

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ACCELERATED AFRICANIZATION OF MANAGEMENT OF ALL BANKS.

FOREIGN INVESTORS, PREIMARILY FRENCH, HAVE BEEN ATTRACTED TO CAMEROON BY THE COUNTRY S ECONOMIC PROGRESS, REALISTIC AND MODERATE GOVERNMENT POLICIES, FAVORABLE INVESTMENT CODE AND WELL CONCEIVED DEVELOPMENT PLANS. BENEFITS ON TAXATION, IMPORTATION OF MACHINERY AND RAW MATERIALS, AND OPERATING PERMITS ARE NEGOTIATED WITH GOVERNMENT AGENCIES ON THE BASIS OF DEVELOPMENT PLAN GOALS. INVESTORS DESIRING TO SET UP PROJECTS ARE USUALLY REQUIRED TO SUBMIT STUDIES OF THEIR PROPOSALS AND MAY BE REQUIRED TO DO A FEASIBILITY SURVEY IF THEPRODUCT IS NEW TO THE COUNTRY. NEGOTIATIONS THROUGH GOVERNMENT CHANNELS ARE OFTEN PROLONGED AND REQUIRE DECISIONS OF SEVERAL MINISTRIES. TO STIMULATE INVESTMENT AND PROVIDE BUSINESS INFORMATION, AN ECONOMIC OFFICE OPERATING WITHING THE CAMEROONIAN EMBASSY IN WASHINGTON HAS BEEN ESTABLISHED. FOREIGN INVESTORS ARE ELIGIBLE FOR PREFERENTIAL IMPORT TREATMENT TINTO THE EUROPEAN COMMON MARKET AND THE ECONOMIC AND CUSTOMS UNION OF CENTRAL AFRICA (UDEAC), COMPRISED OF CAMEROON, GABON, CENTRAL AFRICAN REPUBLIC, CONGO (BRAZZAVILLE) BY VIRTUE OF CAMEROON S MEMBERSHIP IN THESE ORGANIZATIONS. THERE IS ALSO FAVORED BILATERAL ASSOCIATION WITH CHAD. PRINCIPAL CAPITAL INFLOWS HAVE BEEN IN THE FORM OF MULTILATERAL AND BILATERAL FOREIGN AID. AMONG MULTILATERAL SOURCES THE EUROPEAN DEVELOPMENT FUNDS HAS BEEN PROMINENT, CHANNELING OVER 140 MILLION DOLLS. IN EEC-SPONSORED AID: THE WORLD BANK HAS ALSO BECOME INCREASINGLY IMPORTANT, HAVING DISBURSED OVER 60 MILLION DOLLS. IN LOANS AS OF THE END OF 1974. BILATERAL AID HAS COME PRINCIPALLY FROM FRANCE, WEST GERMANY, THE UNITED STATES, CANADA AND OTHER WESTERN EUROPEAN COUNTRIES. AN INVESTMENT GUARANTY AGREEMENT HAS EXISTED BETWEEN CAMEROON AND THE UNITED STATES SINCE 1967. SEVERAL AMERICAN COMPANIES HAVE TAKEN OUT OPIC INSURANCE FOR THEIR INVESTMENTS. NO CLAIMS HAVE BEEN FILED TO DATE.

2. EMBASSY CONTINUES TO HAVE GREAT DIFFICULTY DETERMINING WITH ANY ACCURACY THE AMOUNT OF U.S. DIRECT INVESTMENT IN CAMEROON. FOLLOWING FIGURES REPRESENT BEST ESTIMATE EMBASSY CAN GIVE FROM COMPANY ANNUAL REPORTS AND BUSINESS DIRECTORIES.

A. ESTIMATED US DIRECT INVESTMENT AT END OF 1974:

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 JUL 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
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**Film Number:** D750250-1211  
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